

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 COME-00 TRSE-00 CIAE-00
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TO SECSTATE WASHDC 8128

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E.O. 11652: N/A
TAGS: EFIN
SUBJ: FOREIGN BANK OPERATIONS IN SUDAN

1. DURING A CONVERSATION WITH CHARGE' AND ECONOFFS, BANK OF SUDAN GOV. NIMIR STATED THAT HE HAS RECEIVED A REQUEST FROM CALIFORNIA BASED BANK OF AMERICA (B OF A) TO OPEN DIRECT OPERATIONS IN SUDAN. ACCORDING TO NIMIR, B OF A IS DROPPING OUT OF ITS PARTNERSHIP (30 PERCENT EQUITY) IN THE BANK OF CREDIT AND COMMERCE. HE INDICATED THAT SUDAN HAS ROOM FOR MORE FOREIGN BANKING OPERATIONS AND IMPLIED THAT THE B OF A APPROACH WOULD BE APPROVED.

2. NIMIR AND TWO OTHER BANK OF SUDAN OFFICIALS PRESENT ALSO STATED, HOWEVER, THAT OPERATIONS OF THE TWO EXISTING FOREIGN BANKS HERE, THE BANK OF CREDIT AND COMMERCE AND THE ABU DHABI NATIONAL BANK, HAVE THUSFAR BEEN TOO LITTLE CONCERNED WITH DEVELOPMENTAL LENDING. ALTHOUGH THE BANK OF SUDAN WOULD PREFER THAT FOREIGN BANKS APPLY THEIR FINANCES AND TECHNICAL EXPERTISE TO DEVELOPMENT WITHIN SOME PARTICULAR SECTOR, DEPUTY GOVERNOR OMER ABU SAMRA SAID THAT BOTH BANKS HAVE CONCENTRATED ALMOST EXCLUSIVELY ON COMMERCIAL ACTIVITIES. THEY HAVE DEVOTED LESS THAN ONE PERCENT OF THEIR FUNDS TO INDUSTRIAL/DEVELOPMENT LOANS. THE BANK DOES NOT INTEND TO TAKE QUICK ACTION TO FORCE A CHANGE IN THE TWO BANKS'

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LENDING PATTERNS, BUT BANK OFFICIALS HOPE TO SEE SOME CHANGE IN THE DIRECTION OF MORE DEVELOPMENT IN THE REASONABLY NEAR FUTURE.

3. COMMENT: BANK OF SUDAN OFFICIALS DID NOT PINPOINT EITHER THE PRECISE NATURE OF B OF A'S REQUEST, OR THE LIKELY DURATION OF THE APPROVAL PROCESS. WHETHER B OF A WILL BE ASKED

TO SET OR ACCEPT SPECIFIC GOALS FOR ITS LENDING PATTERN
IS ALSO UNCLEAR. IT DOES APPEAR LIKELY THAT B OF A WILL AT
LEAST BE ASKED TO STATE ITS HONORABLE INTENTIONS TOWARD
SUDANESE ECONOMIC DEVELOPMENT AND THAT ALL FOREIGN AND
PRIVATE BANKS HERE WILL FACE CONTINUED MONITORING, IF NOT
PRESSURE, ON THEIR LENDING PATTERNS. END COMMENT.
BOGOSIAN

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Draft Date: 12 aug 1978
Decaption Date: 01 jan 1960
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